COUNCIL OF STATE GOVERNMENTS RESOLUTION RELATING TO CONSUMER EXCISE TAXES

DRAFT

WHEREAS, President Clinton is promoting an aggressive agenda for the United States, in the areas of deficit reduction, economic and social policies;

WHEREAS, the President has called for an historic increase in income and energy taxes on individuals and businesses in the United States; and

WHEREAS, the President's recommended policies will have a profound impact on the administration and financing of government services at all levels;

NOW, THEREFORE, BE IT RESOLVED that, the Council of State Governments strongly opposes the inclusion of federal consumer excise tax increases in future Presidential and congressional policies, for the reasons stated below:

1. An increase in consumer excise taxes will further delay economic recovery in the United States, by adversely impacting job growth (As many as 850,000 jobs may be lost due to policies currently under consideration by the executive branch.);

2. An increase in consumer excise taxes will result in a reduction of tax competition between the federal government and state and local governments, (state and local governments could lose as much as $2.8 billion in tax revenue.);

3. According to several studies conducted by government agencies and private institutions, consumer excise taxes place a disproportionate and unfair burden on the least affluent families; and

4. According to a recent study completed by the Council of State Governments, consumer excise taxes, more specifically those identified as taxes on "sin", i.e. tobacco, alcohol, motor fuel, etc., have been shown to be inadequate and unreliable revenue sources for vital services, such as, coverage of indigent health care.

NOW, THEREFORE, BE IT FURTHER RESOLVED that, the Council of State Governments believes that federal tax policy should be fair, balanced, and promote economic prosperity. Federal policies should not impair, but facilitate, the ability of state and local governments to adopt sound and equitable economic and tax policies to meet the commitments to its shared constituencies.

Adopted:

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Director's or Sponsor's Name

Sponsor's title

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